

An Overview of Steuben County's 2010 Annual Trending June 25, 2011

The following steps were taken to conduct the 2011 annual trending in Steuben County:

Step 1: Re-Delineation of Neighborhoods

Over the past five years of annual adjustments, the vast majority of neighborhoods have been examined and adjusted where necessary. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This has led to homogeneous neighborhoods and ultimately, consistency and accuracy. For 2011 trending, the neighborhoods have been reviewed. However, only in limited circumstances did sales warrant adjustments to neighborhoods.

Step 2: Calculation of New Land Values

New land values were calculated for 2007, 2008, 2009, and 2010. All land values were reviewed, but only in limited circumstances did sales warrant new land values for 2011. For rural residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating rural residential property values. Land values were thoroughly reviewed around all of the lake properties and recalculated where necessary. In addition, size adjustments were considered and applied as necessary, as warranted by the sales. For commercial and industrial properties, land values generally stayed consistent between January 1, 2010 and February 28, 2011.

Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly. This included residential neighborhoods 215055-017, 975040-006, 975032-006, 975038-006, 135111-011, 135078-011, 135079-011, 955013-005, and commercial and industrial neighborhood 504069-012.

Due to the limited amount of sales data, the time window was expanded in certain circumstances, in order to obtain an adequate sample size. Any sales that were used outside of the time window of January 1, 2010 to February 28, 2011 were adjusted in accordance with a study conducted by the Federal Housing Finance Agency. This study indicated a decrease of 2.83 percent over the past five years. An adjustment factor of 0.994 was applied for each year outside of the stated time window in accordance with this study.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Steuben County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors and stratification.

With regard to rental homes, the county has been assembling a detailed income and expense data base that has allowed for the calculation of market rents, expenses, capitalization rates, and gross rent multipliers. This database is the primary method of valuing all rental homes, and in some cases larger apartment complexes.

Step 4: Updated Commercial & Industrial Improvement Values

Market data, including sales, appraisals, income and expense information and listing information, was used to review the commercial and industrial cost schedules. Review of this data indicated that it was not necessary to update the cost schedules for 2011. New commercial and industrial cost table updates were implemented for 2010. At that time, the county also changed the year of depreciation 2010. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables.

In addition to reviewing the cost tables, sales, income, and appraisal data was used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county, this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.

During the analysis of the market data, nursing homes and mobile home parks were re-examined as a whole, often resulting in sizeable percentage changes. In addition, all of the lakefront restaurant properties were reviewed and adjusted accordingly.

Due to the limited amount of sales data, the time window was expanded to acquire adequate sample sizes for commercial and industrial assessments. A study was not conducted for Vacant Industrial properties, due to an insufficient sample size of only 2 sales in the past 5 years.